

## **A Rationalization for Broad Based Incentives for Forest Landowners to Maintain Working Forests in Washington State**

They are understandable questions – why should we provide forest landowners incentives to continue to practice forestry on lands that are predominately outside of the urban growth area and less likely to lose their carbon sequestering and storage capacity? Should we not spend the state's scarce resources on incentives that provide something additional of value?

Currently, Washington's forests continue to a net carbon sink, accounting for annual fluctuations in growth and harvest and even when accounting for conversion, providing a significant buffer to the State's emission profile. Policies that support maintaining and increasing this trend will be an important part of meeting our statutory obligation to reduce our greenhouse gas emission targets.

Before we can explain our perspective on the first question, we need to answer the second. In short, yes, we should focus resources on providing incentives to take specific actions to address issues that are not currently regulated. However, as we have discussed on numerous occasions, no one incentive will solve all of the issues surrounding management of private forest lands. More importantly, rewarding landowners who commit to maintaining forest land does indeed provide something of value to society, beyond business as usual.

The first value that is provided is the guarantee of a specific level of stocking to be maintained over time. Landowners are not required to actively manage. Simply meeting the State's reforestation requirements does not guarantee that the land will fulfill its site capacity for carbon sequestration and storage. A program could be tiered, providing a base level of benefit for an economically optimal level of stocking (superior to the legal requirement), and then increasing the benefit level based on increased stocking levels. Our society gets the base benefit of securing a good level of stocking and provides the option to do more – for more.

The length of the time commitment for maintaining an optimal level of stocking also provides society a benefit beyond the existing regulatory structure. While pressure for conversion is less in resource lands of long term commercial significance today, that will change as Washington's population continues to grow. More importantly than offsetting the conversion risk, the benefit will provide a guarantee that the land will continue provide the sequestration and storage capacity for a fixed period of time. Like the level of carbon stocks, an incentive program could be tiered for greater benefits for a longer term commitment.

Collectively, an incentive program that rewards quantity and duration of carbon stocks can be an effective tool to help address the State's greenhouse gas emission profile. It will also serve as a foundation to leverage more discrete carbon benefits that also may provide more valuable co-benefits.